

The Guardian



Bitcoin: \$64m in cryptocurrency stolen in 'sophisticated' hack, exchange says

Mining marketplace NiceHash suspends operations while it co-operates with authorities over 'professional attack', urging users to change passwords

Samuel Gibbs

Thu 7 Dec 2017 10.38 GMT

Nearly \$64m in bitcoin has been stolen by hackers who broke into Slovenian-based bitcoin mining marketplace NiceHash.

The marketplace suspended operations on Thursday while it investigated the breach, saying it was working with law enforcement as "a matter of urgency" while urging users to change their passwords.

The hack was "a highly professional attack with sophisticated social engineering" that resulted in approximately 4,700 bitcoin being stolen, worth about \$63.92m at current prices, said NiceHash head of marketing Andrej P Škraba.

NiceHash is a digital currency marketplace that matches people looking to sell processing time on their computers for so called miners to verify bitcoin users' transactions in exchange for the bitcoin.

Troubles with the website over the past day or so drew alarm and complaints, with many bitcoin owners posting panicked comments on NiceHash's social media accounts.

NiceHash said in a statement: "We understand that you will have a lot of questions, and we ask for patience and understanding while we investigate the causes and find the appropriate solutions for the future of the service."

The price of bitcoin has surged to more than \$14,668, gaining around \$2,000 (£1,494) of value in a day according to bitcoin monitor CoinDesk. That compares with a value below \$1,000 at the beginning of the year.

Online security is a vital concern for cryptocurrency marketplaces and exchanges, with bitcoins contained within digital wallets that have increasingly become a target for hackers as the number of bitcoins stored and their value has skyrocketed over the last year.

In Japan, following the failure of bitcoin exchange Mt Gox, new laws were enacted to regulate bitcoins and other cryptocurrencies. Mt. Gox shut down in February 2014 having lost approximately 850,000 bitcoins, potentially to hackers. Mark Karpeles, head of Mt Gox, went on trial in Japan in July, facing up to five years in jail under charges of embezzlement and the loss of \$28m of user funds.

Everything you wanted to know about bitcoin but were afraid to ask
Bitcoin mining consumes more electricity a year than Ireland
Since you're here ...

... we have a small favour to ask. More people are reading the Guardian than ever but advertising revenues across the media are falling fast. And unlike many news organisations, we haven't put up a paywall - we want to keep our journalism as open as we can. So you can see why we need to ask for your help. The Guardian's independent, investigative journalism takes a lot of time, money and hard work to produce. But we do it because we believe our perspective matters - because it might well be your perspective, too.

I appreciate there not being a paywall: it is more democratic for the media to be available for all and not a commodity to be purchased by a few. I'm happy to make a contribution so others with less means still have access to information. Thomasine F-R.

If everyone who reads our reporting, who likes it, helps fund it, our future would be much more secure. **For as little as £1, you can support the Guardian - and it only takes a minute. Thank you.**

Become a supporter

Make a contribution



Topics

Bitcoin

